

OSTER

Researching Services

12897 Colonial Drive • Mt. Airy, MD 21771
Office/Fax: 301-253-6040
maryannoster@comcast.net

December 21, 2007

RECORDATION NO. 27303 FILED

DEC 21 '07 -4 14 PM

Ms. Barbara Sadler
Surface Transportation Board
395 E Street SW
Washington, D.C. 20423

SURFACE TRANSPORTATION BOARD

Dear Barbara:

Enclosed is a Memorandum of Security Agreement dated 12/18/07 involving the following parties and railroad equipment:

Secured Party: Wells Fargo Equipment Finance, Inc.
Investors Building, Suite 700
733 Marquette Avenue
Minneapolis, MN 5402

Debtor: Continental Rail, LLC
8054 McGowin
Post Office Box 1171
Fairhope, AL 36533

Equipment: 4, Tank Cars
WCHX 30222-30225

Please record this agreement as a primary document. The filing fee of \$35 is enclosed.

Summary: Memorandum of Security Agreement dated 12/18/07 between Wells Fargo Equipment Finance, Inc. as Secured Party and Continental Rail, LLC as Debtor including 4 Tank Cars.

Sincerely,



Mary Ann Oster
Research Consultant

Enclosure



Wells Fargo Equipment Finance
Investors Building, Suite 700
733 Marquette Ave So
Minneapolis, MN 55402

Memorandum of Security Agreement

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 18th day of December, 2007, by and between Continental Rail, LLC, a limited liability company ("Debtor"), and WELLS FARGO EQUIPMENT FINANCE, INC, a Minnesota Corporation ("Secured Party").

A. The Debtor is indebted to the Secured Party pursuant to that certain Promissory Note dated as of December 18, 2007 (the "Note") executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated December 18, 2007, pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Four (4) Class DOT 111A100W1 Rail Tank Cars with the following markings described on Schedule A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;

(e) any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, the Rail Car Lease dated March 20, 2006 between the Debtor and Ineos Phenol, a division of Ineos Americas LLC and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;

(f) all rent, damages and other moneys from time to time payable to or receivable by the Debtor in respect of the Railcars; and

(g) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

Continental Rail, LLC

By: 
Thomas C. Weller, Jr., its Manager

WELLS FARGO EQUIPMENT FINANCE, INC.

By: 
Barbara Ekwasi

Its: VP

RECORDATION NO. 27303 FILED

Contract AdminSTRDOCSMemo of Security Agreement

DEC 21 '07 -4 14 PM

SURFACE TRANSPORTATION BOARD

STATE OF Alabama
COUNTY OF Baldwin

On this 10th day of Dec., 2007, before me, a Notary Public of the City and State aforesaid, personally appeared J. C. Walker, Jr., to me personally known, who being by me duly sworn, says that he is the Managing Member of Continental Rail LLC, an Alabama corporation, the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

Miranda O. Walker
Notary Public

My commission expires: 10/6/09

STATE OF Minnesota
COUNTY OF Hennepin

On this 21 day of December, 2007, before me a Notary Public of the City and State aforesaid, personally appeared Barbara Kevork, to me personally known who being by me duly sworn, says that (he/she) is a Vice President of Wells Fargo Equipment Finance Corp., that foregoing instrument is/was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

(Seal)

Cynthia S. Olson
Notary Public

My commission expires:





Wells Fargo Equipment Finance
Investors Building, Suite 700
733 Marquette Ave So
Minneapolis, MN 55402

Schedule A
to Memorandum of
Security Agreement

Debtor: Continental Rail, LLC

Equipment Description: Four (4) Class DOT 111A100W1 Tank Cars together with all options, attachments and accessories with the following markings:

Current Marking	Car Number
WCHX	30222
WCHX	30223
WCHX	30224
WCHX	30225

Dated: December 18, 2007

Debtor: Continental Rail, LLC


By: Thomas C. Weller, Jr., Its Manager

